

TEACHERS' RETIREMENT BOARD
BUDGETS AND AUDITS COMMITTEE

SUBJECT: Approval of Minutes of March 6, 2003

ITEM NUMBER: 2

ATTACHMENT(S):

ACTION: X

DATE OF MEETING: May 8, 2003

INFORMATION: _____

PRESENTER(S): Chairperson

Please see the attached minutes of the March 6, 2003, Budgets and Audits Committee meeting.

PROPOSED
MINUTES OF THE
BUDGETS AND AUDITS COMMITTEE
OF THE
TEACHERS' RETIREMENT BOARD
THURSDAY, MARCH 6, 2003
BOARD ROOM
7667 FOLSOM BOULEVARD
SACRAMENTO, CALIFORNIA

COMMITTEE MEMBERS PRESENT

Jay Schenirer, Chairperson
Karen Russell
Carolyn Widener
Robert Miyashiro, representing the Director of Finance, Steve Peace
John Hiber, representing the State Treasurer, Philip Angelides

OTHER MEMBERS PRESENT

Gary Lynes
Paul Krasnow
Gavin Payne

STAFF PRESENT

Jack Ehnes, Chief Executive Officer
Christopher J. Ailman, Chief Investment Officer
Christopher Waddell, Chief Counsel
Peggy Plett, DCEO, Administration
Ed Derman, DCEO, External Affairs and Program Development
Bill Hobbs, DCEO, Enterprise Initiatives and Technology
Way Lee, Chief Auditor
Mary Miles, Administrative Assistant

OTHERS PRESENT

Russ Bohart, Venturi Technology Partners	
Beverly Carlson, CTA	Lois Shive, CTA
Pat Geyer, CRTA	Al Reyes, UTLA
Dorothy Moser, CTA/NEA-R	John Madden, ACCCA
Loretta Toggenburger, UTLA-R	Michael Green, CTA
Steve DePue, CTA	

A quorum being present, Chairperson Schenirer called the meeting to order at 8:35 a.m.

II. APPROVAL OF MINUTES OF NOVEMBER 6, AND NOVEMBER 7, 2002

Ms. Russell asked when staff would be bringing back discussions on the Soft Dollar Policy and on initiating punitive action against school districts who do not comply with correcting reporting errors. Mr. Ailman stated the discussion on the Soft Dollar policy has been scheduled for the June Investment Committee meeting. Ms. Plett stated staff was looking at different options and will report back to the Committee in the future.

MOTION duly made by Ms. Russell, seconded by Mr. Miyashiro, and carried to approve the Minutes of the November 6 and 7, 2002 meetings.

III. **2002/2003 BUDGET STATUS UPDATE**

Ms. Plett provided an update on the 2002/03 Budget.

IV. **QUARTERLY AUDIT STATUS REPORT**

Mr. Lee presented this item.

V. **SCHOOL DISTRICT FINAL REPORT**

Mr. Lee presented three school district final reports for Fairfield-Suisun Unified School District, Ontario-Montclair School District, and the Fontana Unified School District. Mr. Lee corrected information on Page 1; the first bullet should read: "The related contributions due members totaled \$12,135."

Ms. Widener asked what courses of action could be taken when school districts consistently do not comply with correcting reporting errors. Ms. Carlson, CTA, stated the Association shared Ms. Widener concerns, and asked if districts are fined or assessed a penalty when they do not comply with certain issues. Ms. Lee stated the school district board is sent a copy of the audit report. Mr. Waddell reported there was no existing statutory authority to assess a penalty above and beyond what is owed the system, but would look into establishing a follow-up process to make sure violations do not happen again.

VI. **START POST IMPLEMENTATION EVALUATION REVIEW**

Mr. Lee introduced Mr. Bohart from the Venturi Technology Partners who provided an overview of the evaluation report. Ms. Russell stated her concern that the information on lessons learned not be forgotten, but included in future technology projects.

VII. **INTERNAL AUDITS FOLLOW-UP STATUS REPORT**

Mr. Lee presented a new format for this report that eliminated sections where management had taken correction actions.

VIII. **DRAFT AGENDA FOR THE MAY COMMITTEE MEETING**

No changes were made to this item.

IX. **OPPORTUNITY FOR STATEMENTS FROM THE PUBLIC**

There were no statements from the public.

X. **ADJOURNMENT**

Chairperson Schenirer adjourned the Committee meeting at 9:10 a.m.

Jack Ehnes, Chief Executive Officer
and Secretary to the Teachers' Retirement Board

Jay Schenirer, Chairperson